Collection of Fringe Benefit Tax

2270. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) the amount realised in respect of fringe benefit tax and cash transaction tax respectively during the first quarter of the current financial year;

(b) whether the collections of cash transaction tax during the above period is negligible whereas it involves enormous work which does not commensurate with the labour and manpower employed in collection etc.; and

(c) whether Government propose to do away or review with this tax and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S PALANIMANICKAM): (a) An amount of Rs. 583 crore has been collected as Fringe Benefit Tax and an amount of Rs. 20 crore has been collected as Banking Cash Transaction Tax for the first quarter of the current financial year.

(b) The primary objective of Banking Cash Transaction Tax is to check tax-evasion and discourage cash transactions rather than to generate revenues. Moreover, banking Cash Transaction Tax came into effect on 1st of June, 2005 and so the collections of the first quarter actually represent the collections of only one month.

(c) In view of the position stated in para (b) above, the Government does not at present propose to withdraw Banking Cash Transaction Tax.

Committee for Development of Corporate Bond Market

2271. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have appointed a committee under Shri R.H. Patil, to draw up a policy to develop the corporate bond market;

(b) if so, the terms of reference of the Committee; and

(c) whether Government propose to amend the definition of securities under the Securities Contracts (Regulation) Act, 1956 to provide a legal framework for trading of securitized debt including mortgage backed debt?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S PALANIMANICKAM): (a) Yes, Sir. Pursuant to the announcement made in Budget 2005-06, a High Level Expert Group on Corporate Bond and securitization has been constituted under the Chairmanship of Shri R.H. Patil.

(b) The Terms of Reference of the Committee include identifying the factors inhibiting the development of an active corporate debt market in India, recommending policy actions necessary to develop an appropriate market infrastructure for development of the corporate bond market, recommending specific actions necessary to develop mechanisms for trading platform, clearning and settlement system, risk management and novation, recommending policy actions necessary to develop bond insurance in the country.

(c) Yes, Sir.

Assistance to poor people in rural areas by NABARD

2272. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) what are programmes and schemes operated by NABARD for providing assistance to the poor people in the rural areas;

(b) the number of people benefited by NABARD's programems in Maharashtra during the last two years; and

(c) the steps taken or proposed to be taken for providing more assistance to the rural people particularly in Maharashtra?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S PALANIMANICKAM): (a) National Bank for Agriculture and Rural Development (NABARD) does not disburse agriculture credit directly, it only refinances credit disbursed by lending agencies including Commercial Banks, Cooperative Banks and Regional Rural Banks. The details of refinance disbursed by NABARD under investment credit during the year 2004-05 is as under:

(Rs. in crore)

Item	2004-2005
Refinance to Farm Sector	5756.88
Refinance to Non-Farm Sector	2820.59
TOTAL:	8577.46